

PENSION LIFE BONDS MISSING, STATE INSURANCE PROBERS SAY

Continued from Page One
 which State in which the Pension Mutual Life Insurance Company is licensed to transact business in Indiana, where within the last few years many insurance companies have passed into the hands of a foreigner.

THE EXAMINERS' REPORT

The report of the insurance examiners in full follows:
 HARRISBURG, Pa., Nov. 12, 1916.
 Dear Sir:—In accordance with your authority and instructions an examination of the affairs of the Pension Mutual Life Insurance Company, of Pittsburgh, Pa., has been made, and its condition as of September 30, 1916, according to our findings, is set forth below.

LEDGER ASSETS

Real estate, book value	\$181,000.00
Mortgages	20,000.00
Stocks, book value	90,827.88
Bonds, book value	45,730.00
Policy loans	45,730.00
Prepaid notes	8,035.50
Cash in bank	2,249.32
Cash in office	100.00
Agents' salaries	26,118.53
Furniture and fixtures	6,970.59
Capital stock notes	1,000.00
Other assets	12.81
Check returned	12.81
Total ledger assets	\$407,802.70

NON-MEMBER ASSETS

Interest on bonds	\$697.56
Interest on policy loans	\$96.16
Net amount of interest on bonds (estimated)	1,500.00
Interest on deferred premium	1,500.00
On new business	\$2,827.10
On renewals	\$2,251.11
Gross assets	\$479,478.47

DEDUCT ASSETS NOT ADMITTED

Agents' salaries	\$28,218.53
Furniture and fixtures	6,970.59
Capital stock notes	1,000.00
Other assets	12.81
Cash returned	12.81
Certificates of deposit	2,249.32
Balance	\$404,389.17

LIABILITIES

Net present value of all outstanding policies in force on September 30, 1916, as determined by the actuary of the company to accumulate the reserve on the American plan	\$424,522.00
Net present value of annuities (including those in reduction of premium)	29,552.00
Total	\$454,074.00

NET RESERVE

Claims for death losses due and unpaid	\$20,524.28
Due and unpaid on supplementary contracts	328.00
Dividends and bonuses due the company at interest, and accrued interest thereon	8,542.85
Unearned interest, paid in advance (estimated)	1,000.00
Salaries, rents, office expenses, bills and accounts due and accrued	238.50
Medical examination fee	100.00
Estimated amount hereafter payable for taxes	3,750.00
Policy Life Society trust fund	120,335.89
Mortgages on home office building	220.00
Ins. interest on mortgages	30,000.00
Balance due, outstanding checks	82.60
German National Bank	100.00
Capital stock	\$434,048.27
Total liabilities	\$1,502,691.77
Total admitted assets	\$404,389.17
Deficit	\$1,098,302.60

WOODS' AFFIDAVIT
 The foregoing figures show the assets and liabilities only, as disbursements, according to the company's books, do not show that approximately \$971,200 of bonds (book value) have disappeared. This, however, starting as it may appear, is a fact. The only explanation for the company not being in possession of these bonds is one given by the secretary of the company, Mr. Charles H. Fritsch, who states that these bonds have been returned to H. L. Doherty & Co., bankers, of New York city. No receipt was produced from any one showing these bonds had been returned.

There is on file in this office an affidavit made by Mr. Lyndon D. Wood on July 21, 1914, in which he states: "The following bonds are the absolute, unqualified property of the Pension Mutual Life Insurance Company." The list of bonds referred to in Mr. Wood's affidavit covers substantially the same bonds still carried on the company's books as its property, notwithstanding the fact that the secretary of the company calmly informs your examiners that the bonds are no longer in the company's possession.

NO OWNERSHIP PROOF
 Deeds for real estate owned, consisting of three parcels, were carefully examined and all papers were found in proper order. These properties are as follows: (1) The home office building, situated at 1905 Fifth avenue, Pittsburgh, Pa. This property was appraised for the company in 1912 at \$180,000 and is carried on the books at that price. The assessed valuation, however, for 1916 was placed at \$26,400. There is a mortgage against this property of \$100,000, which is charged as a liability. (2) Properties 517 and 519

North Delaware street, Indianapolis, Ind., were obtained when the Pension Mutual Life Insurance Company reinsured the Commercial Life Insurance Company, of Indiana. The book value of this property is placed at \$26,000, although it was assessed at \$25,020 in 1914 and \$23,020 in 1915. The yearly rental is \$2400, or four per cent on the book value. (3) Property on Jarvella street, North side, Pittsburgh, Pa., carried at \$1000 and obtained by foreclosure of mortgage.

The bonds shown in the above statement as the company's property were seen, with the exception of those on deposit in Harrisburg, receipts for which were shown. We are simply assuming these bonds are owned by the company, as no proofs of ownership were shown.

AN UNPAID EXCHANGE
 In the list of bonds owned in \$10,000 par Capital Building refunding bonds of the State of Missouri, deposited at Harrisburg in the name of the Union Casualty Insurance Company of Philadelphia, assigned to the Pension Mutual Life Insurance Company by the Union Casualty Insurance Company, in an exchange when the said bonds are released by the Insurance Department. (A copy of the assignment is herewith attached.) The explanation of this transaction as given your examiners by Mr. Thomas Wood, secretary of the Union Casualty Insurance Company, is as follows: That \$10,000 par value six per cent Roswell Gas and Electric bonds were loaned to the Union Casualty Insurance Company, which, in turn, borrowed \$5000 from the Girard National Bank, of Philadelphia, and put up the Roswell Gas and Electric bonds as collateral on the loan. The Union Casualty Insurance Company then assigned to the Pension Mutual Life Insurance Company \$10,000 par value three and one-half per cent bonds of the Capital Building refunding bonds of the State of Missouri. In other words, the Pension Mutual Life Insurance Company received three and one-half per cent bonds on a par value basis worth less than par for six per cent bonds, evident on the face an unfair and unbusinesslike exchange; and it is respectfully recommended that you demand return of the Roswell Gas and Electric bonds to the Pension Mutual Life Insurance Company.

OFFICERS AND DIRECTORS
 The following are the present officers and directors of the Pension Mutual Life Insurance Company, viz:
 Lyndon D. Wood, President
 Charles H. Fritsch, Secretary and Treasurer
 Dr. J. P. Blackburn, Medical Director
 R. A. Eaton, Superintendent of Agents
 Stone & Stone, General Counsel
EXECUTIVE COMMITTEE
 Lyndon D. Wood, Dr. J. P. Blackburn
 Charles H. Fritsch, Samuel H. Nicholson
 William B. Ritchie
DIRECTORS
 Lyndon D. Wood, Pittsburgh, Pa., date of expiration
 W. A. Eaton, Pittsburgh, Pa.
 Ralph E. Smith, Indianapolis, Ind.
 W. H. Hittich, Washington, Pa.
 Hon. Henry F. Wilson, Erie, Pa.
 Charles H. Fritsch, Pittsburgh, Pa.
 Charles H. Block, Johnstown, Pa.
 H. E. Kupsman, Columbus, Pa.
 Samuel H. Nicholson, Pittsburgh, Pa.
 W. W. Lester, New Castle, Pa.
 W. A. McMaster, Johnstown, Pa.
 A. S. Fisher, Altoona, Pa.

LICENSED IN ONLY TWO STATES
 The only other State in which this company is licensed to transact business besides Pennsylvania is the State of Indiana. Mortgages owned by the company are all deposited with the Insurance Commissioner of the State of Indiana, and a receipt was presented showing he held the same.

Stocks owned were carefully examined, and consist of bank stock of two companies of Washington, Pa. Policy loans and premium notes were all carefully checked and examined. Certificates of deposit, amounting to \$2249.32, are deposits in banks and trust companies in default. The balances are not considered as assets of value, and have all been deducted. Agents' balances, furniture and fixtures, capital stock notes and agreements are not considered as assets of value, and have all been deducted.

NON-LEDGER ASSETS
 Interest due and accrued on bonds, mortgages, policy loans and premium notes was carefully computed. Net due and deferred premiums on new business and renewals was taken direct from each policy card and amounts to \$71,872.68.

LIABILITIES
 The reserve required by law to be maintained, and as charged above, was calculated by R. E. Foster, actuary of this department. The outstanding losses, amounting to \$10,824.28, as charged in above statement, have since been paid. There probably have been other losses incurred, however, since September 30, 1916. The sum of \$130,555.69 as charged is the balance of the funds of the Pension Mutual Life Society—held by the Pension Mutual Life Insurance Company as Trustee.

The Colonial Trust Company, of Pittsburgh, Pa., is registrar of the company's stock, and its secretary certifies there were 14,923 3/10 shares outstanding on September 30, 1916.

REMARKS
 For the purpose of this examination no appraisal of real estate owned have been made, or notes made of real estate covered by mortgages owned by the company. We have also given the company credit for book value of other assets, although the market value of said assets may be lower. The books of the company show that a commission was paid for American Assurance Company business out of the funds of the Pension Mutual Life Insurance Company, amounting to \$4990, although it has never reinsured said business, and has no connection with the American Assurance Company. Excerpts from the minutes of the company are hereto attached.

When I first visited the office of the company on October 23, 1915, I was refused permission to examine the books. However, this was no novelty, as the company had some time previously refused to allow this department to examine them.

I am also including in this report a copy of the docket entries and bill in equity filed by Henry L. Doherty & Co., of New York, against the Pension Mutual Life Insurance Company, for the recovery of the bonds purchased by the Pension Mutual Life Insurance Company from Henry L. Doherty Co., also copy of agreement, or rather excerpts from same, from which it would appear that the defendant, the Pension Mutual Life Insurance Company, agreed to place the bonds in escrow with the Potter Title and Trust Company, of Pittsburgh, Pa., until final determination of the suit. In consideration of this agreement.

Just Great!
Deerfoot Farm
 Sausage with hot buck-wheat cakes for breakfast.
 Farm at Southborough, Mass.

ment it would not be unfair to assume that the company was not in possession of the securities mentioned when the annual statement for 1915 was made and filed with your department.

Measrs. John W. Reese, L. P. Palmer and H. L. Hutchinson assisted in this examination. All the above is respectfully submitted.
 E. G. COSTELLO,
 Assistant Examiner.
 Approved: WM. J. RONEY,
 Examiner-in-Chief.

QUICK COMPENSATION URGED
 Insurance Companies Handling Such Business Must Be Perfectly Solvent, Chairman Mackey Says

Insurance companies must make prompt payments on awards granted by the Workmen's Compensation Board and must be perfectly solvent, so a policyholder may have the security for which he pays. This statement was made today by Harry Mackey, chairman of the Compensation Board, while defining the attitude of that body relative to the insurance companies. He said:

"The only matter of vital interest to us is that the insurance carrier be financially strong enough, and that the rating board fix the rates so that the carrier can prosper, for we cannot expect an insurance company to carry hazardous risks without a fair profit."

"Many employers naturally are looking for a cheap rate, but the thing to do is to inquire whether the rate is an adequate one, because if not the carrier cannot survive. There ought to be plenty of competition. The compensation law has created probably \$10,000,000 worth of new insurance business in Pennsylvania. No one desires that the State Fund monopolize this business any more than any other company. There should be a fair field with no favors."

"We are very carefully watching how each company meets its obligations and the promptness with which awards are paid and the spirit displayed by the various carriers toward the employees. We are interested in security and prompt payment only."

MARSHALL FOR 7-YEAR TERM
 Vice President Somewhat Peevish in Before-Breakfast Talk

CHICAGO, Nov. 12.—Thomas Riley Marshall, Vice President of the United States, was slightly peevish today when reporters sought to interview him at the home of friends in Evanston.

"What's the matter with you reporters, anyhow?" he asked sharply. "There is no developed that he had slept late and had not had his breakfast. But he lit a pipe and looked resigned and within a few minutes his customary good humor was evident."

The Vice President said that he was a bit fatigued from the campaign, and had to plans for immediate strenuousness of our kind; was immensely gratified by the result of the election and believed that there should be one presidential term of seven years.

Thresher Bros.
 The Specialty Silk Store
 1322 Chestnut St.
 No Trouble to Show Goods

NEW Silks, Velvets, Velvetens, Broadcloths, Silk Waists, Silk Blouses, Chiffon and Georgette Crepe Waists, Silk Petticoats and Kimonos

We mention below but a few of the many values offered:
 36-inch imported white Japanese Habutai wash silk (hand woven). Retail Value, \$1.00. Sale Price **75c**
 36-inch black satin messaline. Retail Value, \$1.25. Sale Price **95c**
 40-inch taffeta radium in both street and evening shades, plenty of white and black. Retail Value, \$2.50. Sale Price **\$1.95**
 42-inch all silk chiffon velvets in colors, plenty of navy blue and black. Retail Value, \$6.50. Sale Price **\$4.95**
 54-inch chiffon broadcloth, in street shades, also black. Retail Value \$2.50. Sale Price **\$1.75**

SILK WAISTS
 Crepe de chine waists in new models, colors flesh and pink. Special at **\$2.95**
 Embroidered, beaded and lace-trimmed waists in georgette crepe, colors, white, flesh, navy and black. Special at **\$4.95**

SILK PETTICOATS
 Taffeta silk petticoats in changeable effects. Special at **\$2.95**
 Satin messaline and taffeta silk petticoats in a line of colors, plenty of white and black. Special at **\$4.95**

NOTE—You are cordially invited to call and inspect our line whether you wish to purchase now or not. No trouble to show goods and cut samples for comparison, if desired.

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 Former prices \$85.00 to \$195.00

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Styles, colors and models are not on sale in any other store.

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